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May 8, 2020

The Honorable Nancy Pelosi  
Speaker  
United States House of Representatives  
The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
United States House of Representatives  
The Capitol  
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

I appreciate your commitment to providing meaningful relief to America's hard-hit Main Street economy. While the Payroll Protection Program (PPP) represents a powerful tool to help struggling small businesses, I continue to hear from New Hampshire small business owners and workers that some of the program's well-intentioned rules unfortunately make PPP an ineffective or impractical option for them at this time.

In light of worsening economic conditions and growing uncertainty over when and how our Main Streets will be allowed to reopen, I strongly urge you to consider the following changes to PPP to offer greater flexibility and more targeted support to small businesses:

- Currently, under PPP the amount of loan forgiveness available is based on a small business's payroll costs over a single 8-week period beginning on the date of loan disbursement. Recognizing that the economic recovery could be protracted and painful and that it may be months before growth returns to pre-pandemic levels, businesses should be given the option to repeatedly renew their PPP loans until economic conditions improve.
- Instead of automatically starting once funds are disbursed, small businesses should be allowed greater flexibility to determine when the forgiveness period will begin. For example, for many hospitality and restaurant businesses, bringing staff back now in order to qualify for PPP loan forgiveness may not be sensible from either a financial or a public health perspective. More businesses will be able to take advantage of loan forgiveness if the covered period is better timed to coincide with when they are finally able to fully reopen and ramp up operations.
- At present, in order to be eligible for forgiveness, a small business can allocate no more than 25 percent of PPP loan proceeds to non-payroll expenses. Given that many Granite State small businesses continue to face high overhead costs and relatively low payroll expenses, this threshold should be raised by at least 15 percent to provide these businesses with much-needed flexibility to meet their individual needs.

These urgent recommendations are drawn from calls, letters, emails and conversations with hundreds of Granite State small business owners and workers. If we are to maximize the PPP's potential to deliver real relief to our constituents, we must ensure that the program is better tailored to address the economic

conditions they are facing. At this precarious moment for our country, it is critical that we come together across party lines to make PPP more flexible, more generous, and more responsive to the needs of Main Street businesses.

Thank you for your attention to these requests.

Sincerely,

A handwritten signature in blue ink that reads "Chris Pappas". The signature is written in a cursive, flowing style.

Chris Pappas  
Member of Congress